

11 September 2024

KORSNÄS REE CONCENTRATE STOCKPILE ASSAY RESULTS

- Lanthanide concentrate stockpile assays completed with excellent results:
 - Average TREO¹ grade of 25,541 ppm (2.55%)
 - Significant 31% enrichment in NdPrO² of 7,869 ppm (0.79%)
- Results, together with the REMHub grant, underscore the strategic EU importance of the Korsnäs REE project

Prospech Limited (**Prospech** or **the Company**) is pleased to announce the assay results from the Company's auger drilling of the Lanthanide concentrate stockpile (ASX announcement: 2 July 2024), part of the Company's wholly-owned Korsnäs project.

Jason Beckton, Managing Director of Prospech, states:

"These high grade TREO assay results from the Lanthanide concentrate stockpile, together with the assay results from the Tailings Storage Facility (TSF) (ASX announcement: 14 May 2024) and the Company's selection as a participant in the REMHub EU grant project (ASX announcement: 10 September 2024) continue to demonstrate the merit of the Korsnäs project, one of the most prospective REE assets in Finland.

The Lanthanide concentrate stockpile and the TSF may form the foundation for a starter project, capitalising on what we see as low-hanging fruit, whilst the first diamond core drilling of the Korsnäs project since the 1970s (ASX announcement: 12 August 2024) presents an opportunity to extend the known Korsnäs mineralisation down dip and along strike as well as validating the historic drilling and sample results to date.

Our objective is to produce a significantly higher grade REE mineral concentrate than was possible with the technology available in the 1960s. A variety of advanced techniques, including Heavy Media Separation, Froth Flotation using modern reagents, and both Low and High Intensity Magnetic Separation are being tested to achieve a significantly higher grade concentrate."

The Lanthanide concentrate stockpile and TSF are pre-mined and readily accessible for potential exploitation.

¹ TREO = Total Rare Earth Oxides which is the sum of La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃ and Y₂O₃.

² NdPrO = the sum of Pr₆O₁₁, Nd₂O₃ and NdPr enrichment % = NdPrO / TREO.



Level 2, 66 Hunter Street, Sydney NSW 2000 Australia

ASX: PRS FSE: 1P80



www.prospech.com.au



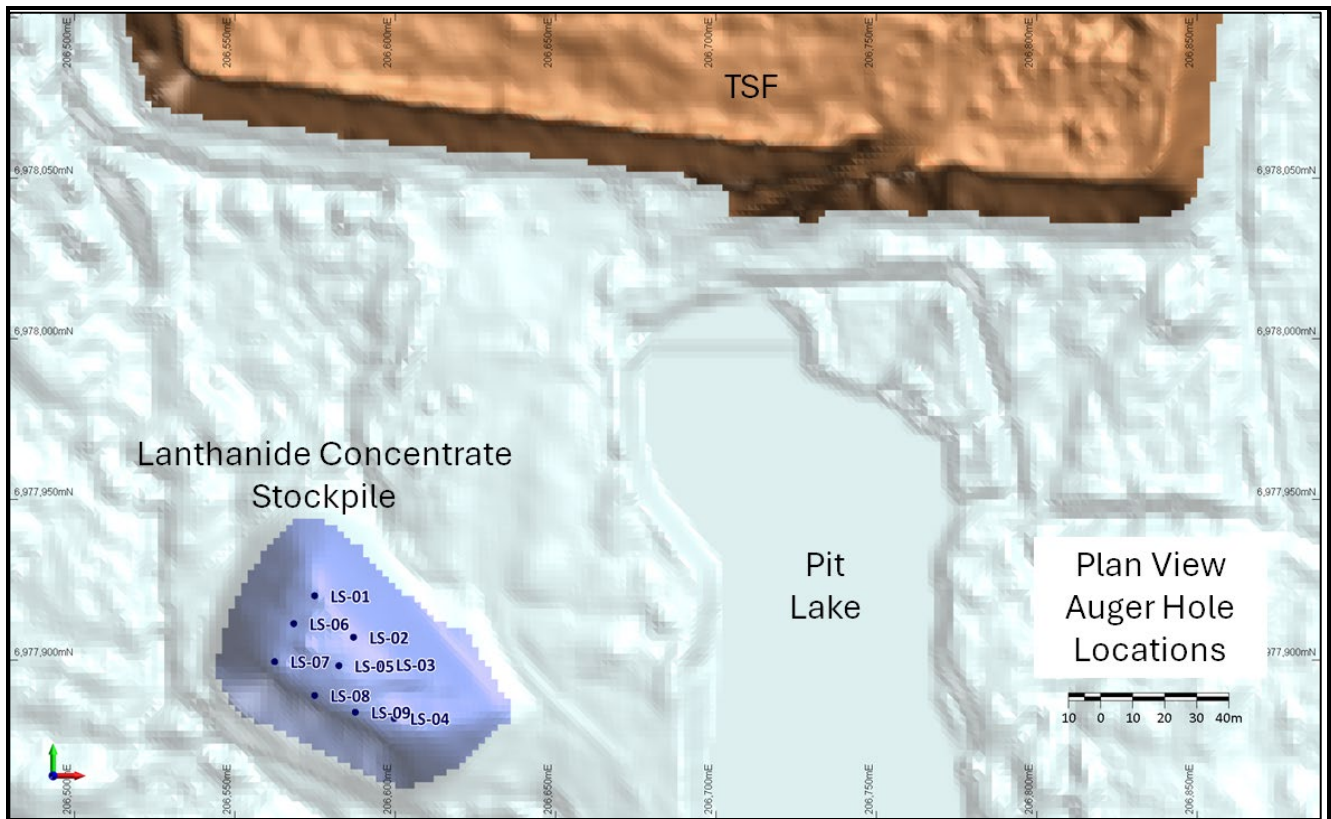
+61 2 9300 3333



info@prospech.com.au

The Korsnäs lead mine, located on Finland's west coast, was operational from 1958 to 1972. During this period, 0.87 million tonnes of ore were processed, focused solely on lead production. The original mine operator was aware that the Korsnäs orebody contained rare earth elements (REEs), however, the REEs were initially discarded in the TSF and records indicate that subsequently an REE concentrate was produced from more than 0.5 million tonnes of ore, never sold and remains stockpiled in the Lanthanide concentrate stockpile.

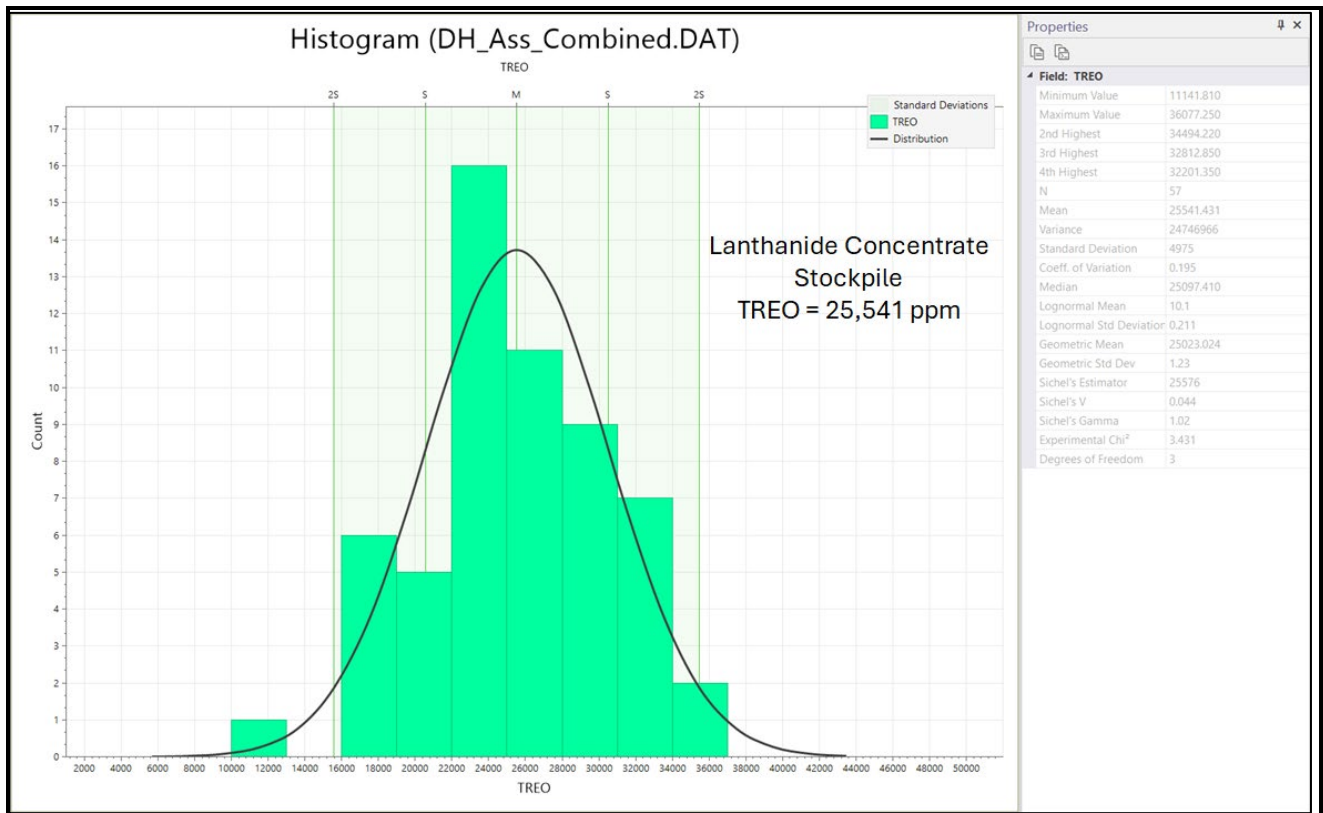
Prospech has now completed auger sampling of the Lanthanide concentrate stockpile and assay results are reported below.



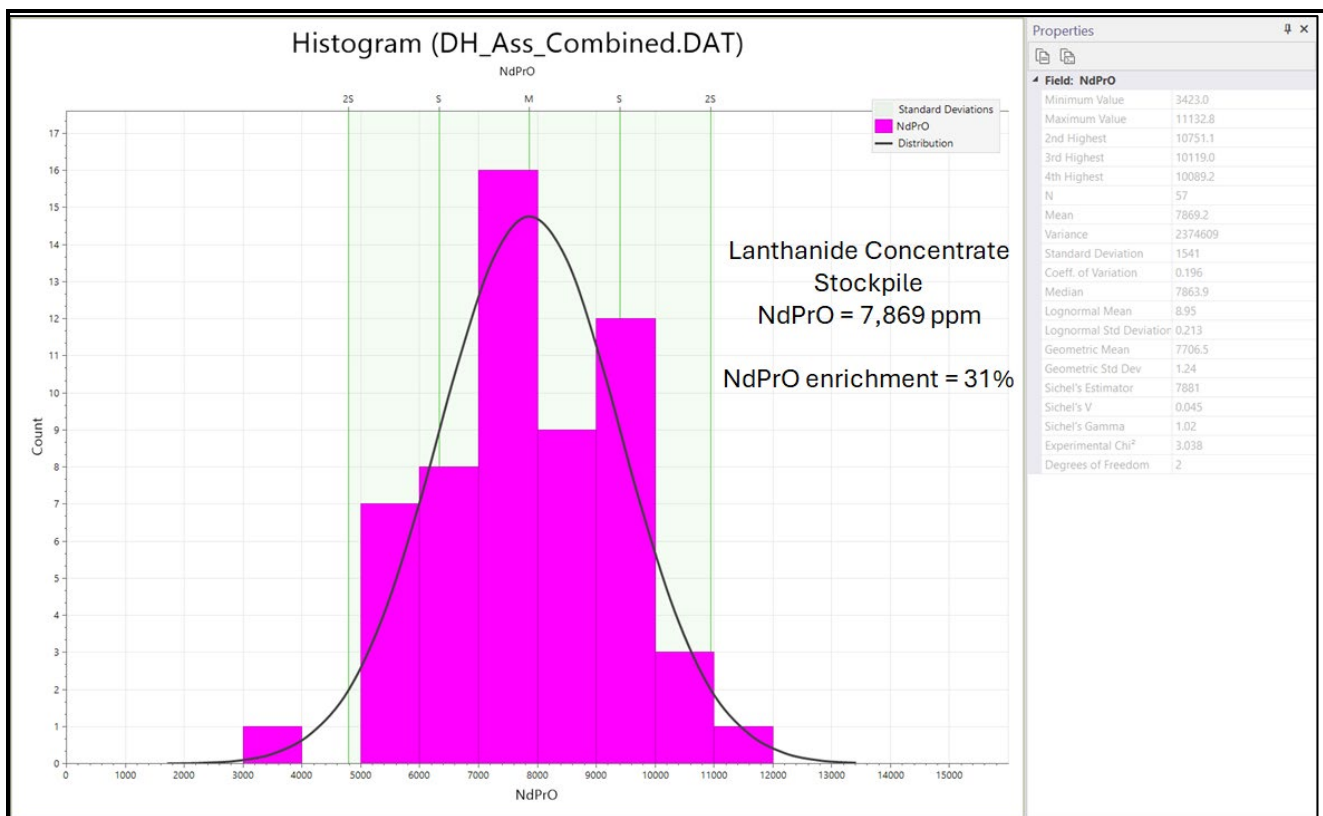
Plan view of the location of the Lanthanide concentrate stockpile and drill pattern.

The Lanthanide concentrate stockpile assay results are:

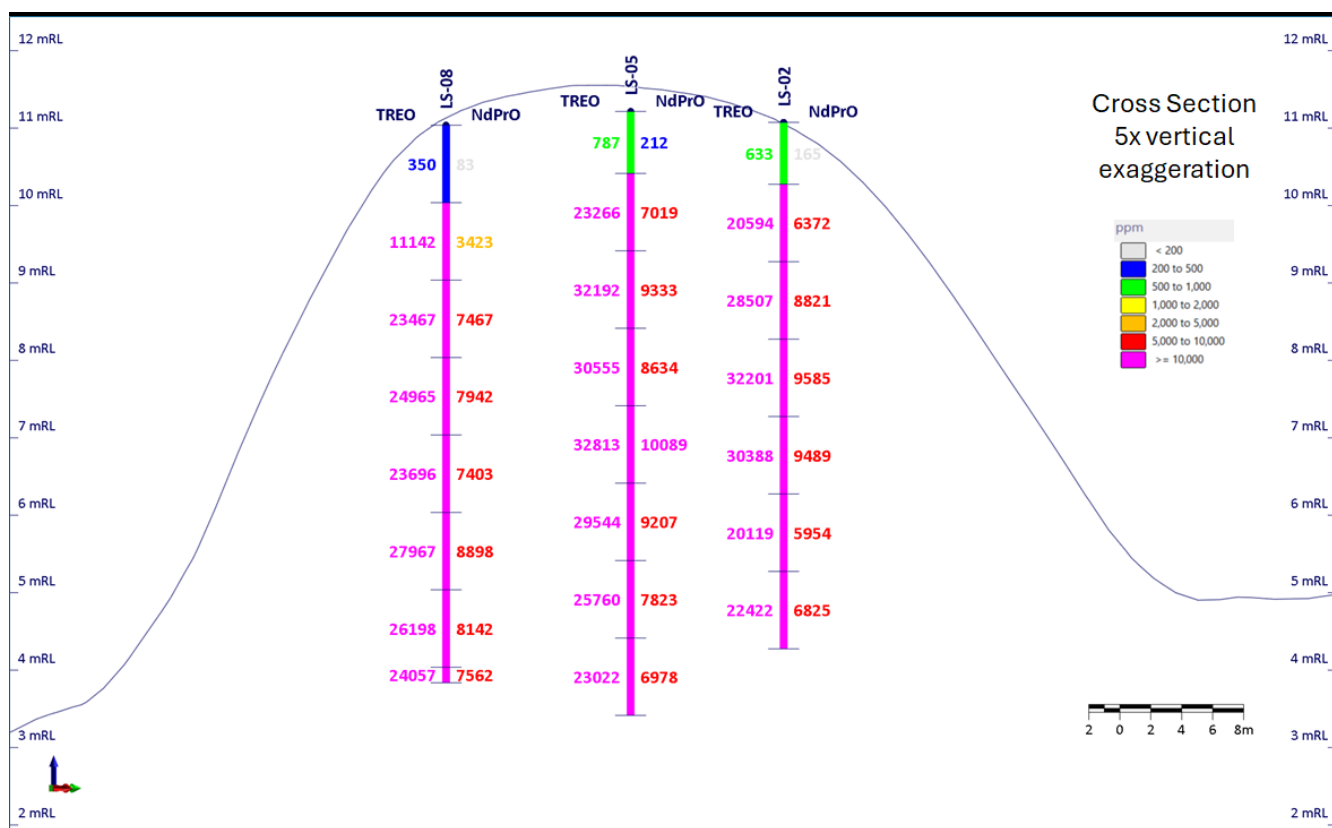
- **Total Rare Earth Oxides (TREO):** The average TREO grade across the samples was 25,541 ppm (2.55%).
- **Neodymium-Praseodymium Oxide (NdPrO):** The average NdPrO grade was 7,869 ppm (0.79%).
- **NdPrO to TREO Enrichment:** The samples showed an average enrichment ratio of 31%, highlighting the potential of the LnCS as a high-grade REE source.



Histogram of the distribution of TREO values from the LnCS.



Histogram of the distribution of NdPrO values from the LnCS.



Cross section through the LnCS at 5 times vertical exaggeration. Topography is from LiDAR. TREO values plotted to the left and NdPrO values plotted to the right of the hole.

For further information, please contact:

**Jason Beckton
Managing Director
Prospech Limited
+61 (0)438 888 612**

This announcement has been authorised for release to the market by the Managing Director.

Competent Person's Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Jason Beckton, who is a Member of the Australian Institute of Geoscientists. Mr Beckton, who is Managing Director of the Company, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Beckton consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

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Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Sampling was carried out using a Dormer hand auger with extension rods which allowed sample to be collected to a depth of 7 metres at nominally 1 m intervals. The auger head was a shell type designed to recover unconsolidated sand and silt with minimal down-hole cross contamination. All samples were weighed and the weights recorded. Sample were sealed in plastic bags (double layer) and the entire sample despatched for multi-element assay and dry bulk density determination.</p>
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>A Dormer extension hand auger with a 50mm diameter shell-type head of stainless-steel construction</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>The weight of each sample was recorded. Weights and moisture content were variable.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Each sample was logged as either tailings or cover material.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>The whole of the sample was assayed – no sub sampling</p> <p>At this early stage no QC samples have been collected.</p> <p>PRS intends to carry out umpire lab checks on both laboratory pulps and coarse crush rejects</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg</i></p>	<p>Assays were be carried out by ALS, an internationally certified commercial laboratory following standard procedures (ALS method ME-MS81h for REEs).</p> <p>PRS inserted standards and blanks were not used due to the lack of ready availability of suitable reference materials for REEs. ALS has its own system of standard and blanks which were reported to PRS and showed no issues. This lack was mitigated by the cross referencing a large number of samples with</p>

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	<i>standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	readings from a hand-held pXRF analyser. On average the ALS results for La Ce Nd and Pr were ~10% lower than the pXRF readings. It is PRS's plan to submit pulps and coarse rejects to a second commercial laboratory for additional assaying and comparison of REE concentrations.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.</i>	Holes were evenly spaced and pXRF results indicated that all concentrate was mineralised to a similar level. This was confirmed by the assay results. Rare Earth Oxide values were calculated from chemical formulas and atomic weights.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.</i>	DGPS to survey the collar locations of the holes in the ETRS-TM35FIN projection (EPSG:3067).
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.</i>	Drill holes was 10-20m spacing over the top of the stockpile Downhole sample were collected continuously every 1 metre
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No bias is believed to be introduced by the sampling method.
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were sealed securely in double plastic bag and kept in a secure area until despatch to the laboratory by professional courier
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of the data management system have been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i>	Prospech Limited has 100% interest in Bambra Oy ('Bambra'), a company incorporated in Finland. The laws of Finland relating to exploration and mining have various requirements. As the exploration advances specific filings and environmental or other studies may be required. There are ongoing requirements under Finnish mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by Prospech's environmental and permit advisors specifically engaged for such purposes. The Company is the manager of operations in accordance with generally accepted mining industry standards and practices. The Korsnäs project's tenure is secured by Exploration Permit Application Number ML2021:0019 Hägg and Reservation Notification VA2023:0040 Hägg 2.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The area of Korsnäs has been mapped, glacial till boulder sampled and drilled by private companies including and Outokumpu Oy.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The historic Korsnäs Mine deposited tailing in the TSF approximately 760,000t

Criteria		JORC Code explanation														Commentary									
Drill hole Information		A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.														Drill Hole Collar Information ETRS-TM35FIN projection (EPSG:3067). All holes are vertical.									

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p>	All holes were vertical and sampling has shown the LnCS is not stratified in any significant way and is remarkably uniform
Diagrams	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	The location and results received for surface samples are displayed in the attached maps and/or tables. Coordinates are ETRS-TM35FIN projection (EPSG:3067).
Balanced reporting	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	Histograms of assay values are reported which include the full range of values
Further work	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	Further auger or bulk sampling of the LnCS is envisaged to collect material for metallurgical testing.